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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 15, 2012

Certified Return Receipt
7011 0110 0001 3568 3650

Robert Steele and Tony Peck
1055 North 400 East
Nephi, Utah 84648

Subject: Division Directive, Robert Steele and Tony Peck, Nephi Gypsum Mine, M/023/0011, Juab County, Utah

Dear Messrs. Steele and Peck:

On June 11, 2012, the Division sent you a letter requesting:

1. Two copies of the complete and corrected Notice of Intention to Commence Large Mining Operations (NOI) for the Nephi Gypsum mine. Please amend the existing NOI and include a copy of the permit boundary map.
2. Reclamation surety in the amount of \$62,000.00 which is an increase of \$26,000.00. The surety currently is in the form of a letter of credit. You may submit the additional surety with an amendment to the letter of credit, or you may submit a new letter of credit, a surety bond, cash, or a certificate of deposit either for the total or the increased amount. Please contact Penny Berry at (801) 538-5291 or by e mail at pennyberry@utah.gov for additional information and to obtain the appropriate reclamation surety forms.

The Division has yet to receive your reply. Please provide the required information and surety increase by September 28, 2012. Failure to do so will likely result in enforcement action including fines.

Thank you for your cooperation and patience in completing this permitting process. Please contact me at (801) 538-5261 or Wayne Western at (801) 538-5263 if you have questions regarding this letter.

Sincerely,

Paul Baker
Minerals Program Manager

PBB: whw: pb

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